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NO: 20-2-04853-0

THE HONORABLE GRETCHEN LEANDERSON

Department 15

Noted for Consideration: June 3, 2022

Without Oral Argument

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
COUNTY OF PIERCE

DEBRA FEALY, on behalf of herself and all
others similarly situated,

Plaintiff,

v.

SOUND CREDIT UNION,

Defendant.

NO. 20-2-04853-0

**DECLARATION OF ADRIENNE D. MCENTEE
IN SUPPORT OF PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL**

I, Adrienne D. McEntee, declare as follows:

1. I am a member of the law firm of Terrell Marshall Law Group PLLC (Terrell Marshall), counsel of record for Plaintiffs in this matter. I am admitted to practice before this Court and am a member in good standing of the bar of the state of Washington. I respectfully submit this declaration in support of Plaintiff's Motion for Preliminary Approval of Class Action Settlement. Except as otherwise noted, I have personal knowledge of the facts set forth in this declaration and could testify competently to them if called upon to do so.

Our Work on the Case

2. Sound Credit Union (Sound) offers motor vehicle loans to consumers across Washington. When a consumer purchases a motor vehicle from a dealership, the dealer and the borrower execute a form retail installment sale contract and agreement to furnish insurance, which the dealer then assigns to Sound. The dealer reviews the borrower's existing insurance before allowing them to drive off the lot.

3. As a condition of financing, Sound requires borrowers to maintain insurance that meets certain requirements. If a borrower fails to maintain insurance meeting the requirements, Sound purchases a collateral protection insurance policy (known as CPI) and the premiums are added to the borrower's loan balance. CPI policies are substantially more expensive than individual policies and insure only the lender's interest in the collateral.

4. Plaintiff Debra Fealy filed her complaint on February 11, 2020, asserting claims for violation of the Washington Consumer Protection Act, unjust enrichment, and conversion on behalf of a proposed class of borrowers who Plaintiff alleged Sound Credit had overcharged for collateral protection insurance. Sound Credit moved to dismiss Plaintiff's claims. After holding oral argument, the Court denied Sound Credit's motion in its entirety.

5. During the litigation, Plaintiff challenged several components of Sound's CPI program. First, Plaintiff alleged that Sound delayed the statutory notice process for new borrowers to drive up earned CPI premiums when policies were backdated to the date of purchase. Second, Plaintiff alleged that Sound received a quarterly reimbursement of earned CPI premiums as a kickback from its collateral protection insurance administrator. Third, Plaintiff alleged that Sound used a formula to calculate earned CPI premiums that treated

1 certain unearned premiums as earned, significantly reducing borrowers' refunds. Fourth,
2 Plaintiff alleged that Sound charged borrowers an administrative CPI fee that was not
3 authorized by statute or the retail installment sale contract. Finally, Plaintiff alleged that Sound
4 collected interest and late fees on the amounts it improperly charged borrowers.

5 6. The parties conducted extensive discovery. Sound propounded requests for
6 production and requests for admission, and Plaintiff produced numerous documents in
7 response.

8 7. Plaintiff propounded two sets of interrogatories, three sets of requests for
9 production, and two sets of requests for admission to Sound. Following Sound's initial
10 responses and production, the parties engaged in hours of discovery conferences regarding the
11 scope of discovery and Sound Credit made numerous supplemental productions. The parties'
12 discussions culminated in a negotiated protocol to search for Electronically Stored Information
13 ("ESI") on the accounts of specified custodians. The parties extensively negotiated and tested
14 search terms. When progress on the searches stalled, Plaintiff filed and briefed a motion to
15 compel compliance with the ESI protocol, which the Court granted. Sound Credit ultimately
16 produced more than 15,000 pages of documents, and a range of loan data for thousands of
17 proposed class members. Plaintiff served Sound Credit with a detailed 30(b)(6) notice, and was
18 prepared to take the deposition when the parties began discussions regarding potential
19 resolution.

20 8. The parties also engaged in third-party discovery. Sound Credit issued a
21 subpoena to Plaintiff's insurer for information related to her insurance policy. Plaintiff
22 subpoenaed Sound's third-party administrator, Allied, which produced tens of thousands of
23

1 rows of data related to proposed class members from its insurance tracking database. Sound
2 agreed to work with its current third-party administrator, SWBC, to produce the same universe
3 of documents, without the need for a subpoena. Plaintiff spent dozens of hours reviewing
4 documents and synthesizing an array of loan and insurance data to assess liability and calculate
5 damages before the parties agreed to attend mediation.

6 9. On February 28, 2022, the parties participated in a mediation via Zoom that was
7 facilitated by experienced mediator, Teresa Wakeen. The mediation was productive, but the
8 parties were unable to resolve the case. Over the following month, the parties continued to
9 engage in settlement discussions facilitated by Ms. Wakeen. On March 25, 2022, Ms. Wakeen
10 made a mediator's proposal both parties accepted, and the parties executed a term sheet
11 memorializing the material settlement terms on March 31. Since then, the parties have
12 diligently worked to draft the formal Settlement Agreement and supporting documents,
13 including exchanging several drafts of the settlement documents, negotiating the final details of
14 the Settlement, and selecting a settlement administrator.

15 10. The parties finalized the Settlement Agreement on May 23, 2022. A true and
16 correct copy of the Settlement Agreement and Release is attached hereto as Exhibit 1. The
17 settlement resolves claims related to 2,569 loans. Settlement Class Members will receive an
18 estimated cash payment between \$10 and \$2,541.14, proportional to their share of damages.
19 Each Settlement Class member will recover approximately 60% of their total damages during
20 the class period.

21 11. Plaintiff hired American Legal Claims Services ("ALCS") to serve as the Settlement
22 Administrator. Among other tasks, ALCS will send notice to Settlement Class Members by U.S.
23

1 mail, maintain the Settlement Website and IVR call center, update the addresses of Settlement
2 Class Members whose notice is returned as undeliverable, track responses including opt-outs
3 and objections, and mail Settlement Awards to Settlement Class Members. ALCS estimates it
4 will cost \$16,877 to administer the Settlement, which may increase depending on the cost to
5 issue form 1099s to Settlement Class Members who receive more than \$600.

6 **Terrell Marshall's Experience**

7 12. Terrell Marshall is a law firm in Seattle, Washington, that focuses on complex
8 civil and commercial litigation with an emphasis on consumer protection, product defect, civil
9 rights, and wage and hour cases. Terrell Marshall has been appointed lead or co-lead counsel
10 representing multi-state and nationwide classes in state and federal court in Washington and
11 throughout the United States. Since its founding in 2008, the attorneys at Terrell Marshall have
12 represented scores of classes, tried class actions in state and federal court, and obtained
13 hundreds of millions of dollars in monetary relief to workers, consumers, and other individuals.

14 13. Examples of consumer protection class actions that Terrell Marshall has litigated
15 to successful completion include:

- 16 a. *Deien v. Seattle City Light*—Filed in 2019 on behalf of Seattle City
17 Light customers who were overcharged for electricity based on
18 estimated electricity usage. The King County Superior Court
19 granted final approval of the \$3.5 million settlement on April 15,
20 2022.
- 21 b. *Hoffman v. Hearing Help Express, Inc.*—Filed in 2019 on behalf of
22 consumers who received telemarketing calls on their cellular and
23 residential telephones without their prior express consent. The
Western District of Washington granted final approval of the \$1.3
million settlement on January 5, 2022.
- 21 c. *Solberg, et al. v. Victim Services, Inc., et al.*— Filed in 2014 on
22 behalf of California consumers who received false, misleading,
23 and deceptive debt collection letters printed on the letter head of
county prosecuting attorneys. The Northern District of California

granted final approval of the \$1.1 million settlement on August 23, 2021.

- d. *Carrillo v. Wells Fargo Bank, N.A.*—Filed in 2018 on behalf of borrowers who allege Wells Fargo charged them interest rates on residential loans that were higher than the rates disclosed in the bank’s buydown agreements and closing disclosures. The Eastern District of New York granted Final Approval of a \$7 million settlement on August 19, 2021.
- e. *Gold, et al. v. Lumber Liquidators, Inc.*—Filed in 2014 on behalf of a class of consumers who purchased defective flooring. The Northern District of California granted final approval of the settlement, valued at up to \$30 million, on October 22, 2020.
- f. *Gambles et al. v. Sterling Infosystems, Inc.*—Filed in 2015 on behalf of a nationwide class of consumers who were affected by Sterling’s inclusion of outdated adverse information on consumer reports. The Southern District of New York granted final approval to a \$15 million class settlement on September 23, 2020.
- g. *Diel v. Salal Credit Union*—Filed in 2019 on behalf of Washington customers of a credit union that were charged overdraft and NSF fees when their account balance should have covered the transactions. The King County Superior Court granted final approval of a \$650,000 settlement on August 28, 2020.
- h. *Long v. First Resolution Investment Corp.*—Filed in 2018 on behalf of Washington consumers against whom a debt buyer and its collection agency law firm obtained judgments when the debt buyer was not licensed as a collection agency. The King County Superior Court granted final approval of a settlement providing over \$20 million in debt relief and \$600,000 on August 28, 2020.
- i. *Rosario v. Starbucks*—Filed in 2016 on behalf of job applicants who were affected by Starbucks’ failure to provide notice before taking adverse action. On July 15, 2020, the Northern District of Georgia granted final approval of the settlement which provides class members up to \$8 million in benefits.
- j. *Miller v. P.S.C., Inc.*—Filed in 2017 on behalf of Washington consumers who alleged P.S.C. filed lawsuits against them using unlawful debt collection forms. The Western District of Washington granted final approval of a settlement that provided injunctive relief and \$1.52 million on January 10, 2020.
- k. *Dougherty v. Barrett Business Services, Inc.*—Filed in 2016 on behalf of job applicants who were affected by BBSI’s failure to provide required disclosures before procuring criminal background reports. The Clark County Superior Court granted final approval of the \$1.5 million settlement on November 8, 2019.
- l. *Borecki v. Raymours Furniture Co., Inc.*—Filed in 2017 on behalf of consumers who received spam text messages on their cellular telephones without their prior express consent. The Southern

District of New York granted final approval of the \$4.25 million settlement on September 10, 2019.

- m. *Abante Rooter & Plumbing, Inc., et al. v. Alarm.com Inc., et al.*— Filed in 2015 on behalf of consumers who received solicitation calls on their cellular and residential telephones without their prior express consent. The Northern District of California granted final approval of the \$28 million settlement on August 15, 2019.
- n. *Leo v. Appfolio, Inc.*—Filed in 2017 on behalf of consumers who were affected by Appfolio’s matching procedures that resulted in incorrect information being included on consumer reports and Appfolio’s failure to provide consumers with required information about the sources any inaccuracies. The Western District of Washington granted final approval of the \$4.5 million settlement on July 18, 2019.
- o. *Snyder v. Ocwen Loan Servicing, LLC*—Filed in 2014 on behalf of consumers who received automated collection calls on their cellular telephones without their prior express consent. The Northern District of Illinois granted final approval of the \$21.5 million settlement on May 14, 2019.
- p. *Melito, et al. v. American Eagle Outfitters, Inc., et al.*—Filed in 2014 on behalf of consumers who received spam text messages on their cellular telephones without their prior express consent. The Southern District of New York granted final approval to the \$14.5 million settlement on September 11, 2017, which the Second Circuit affirmed on April 30, 2019.
- q. *Abante Rooter & Plumbing, Inc. v. Pivotal Payments Inc.*— Filed in 2016 on behalf of consumers that received automated solicitation telephone calls to their cell phones without their prior express consent. The Northern District of California granted final approval of the \$9 million settlement on October 15, 2018.
- r. *Bowen v. CSO Financial, Inc., et al.*—Filed in 2017 on behalf of consumers in Washington who received unfair and deceptive debt collection notices that included threats of criminal prosecution. The Western District of Washington granted final approval of a settlement that provided injunctive relief and \$345,000 on July 10, 2018.
- s. *Terrell v. Costco Wholesale Corp.*—Filed in 2016 on behalf of applicants and employees who were affected by Costco’s failure to provide required disclosures before procuring criminal background reports. The King County Superior Court granted final approval of the \$2.49 million settlement on June 15, 2018.
- t. *In re Monitronics International, Inc. Telephone Consumer Protection Act Litigation*—Filed in 2011 on behalf consumers who received automated, prerecorded solicitation calls on their residential and telephones without their prior express consent. Terrell Marshall served as co-lead counsel in the multidistrict

litigation. The Northern District of West Virginia granted final approval of the \$28 million settlement on June 12, 2018.

u. *Dibb, et al. v. AllianceOne Receivables Management, Inc.*—Filed in 2014 on behalf of Washington consumers who received unfair and deceptive debt collection notices that included threats of criminal prosecution. The Western District of Washington granted final approval of the \$1.9 million settlement on July 31, 2017.

v. *Booth v. Appstack, Inc.*—Filed in 2013 on behalf of small businesses that received prerecorded calls using an automatic dialing system on cellular telephone lines without their prior consent. The court certified the class, denied a motion to decertify, denied the defendants' motion for summary judgment and granted partial summary judgment for the class. The case settled on the eve of trial and the court granted final approval of the \$975,000 settlement on January 11, 2017.

w. *Cavnar, et al. v. BounceBack, Inc.*—Filed in 2014 on behalf of Washington consumers who received false, misleading, and deceptive debt collection letters printed on the letterhead of county prosecuting attorneys. The Eastern District of Washington granted final approval of the \$530,000 settlement on September 15, 2016.

x. *Wilkins, et al. v. HSBC Bank Nevada, N.A., et al.*—Filed in 2014 on behalf of individuals who received prerecorded calls using an automatic dialing system without their prior consent. The Northern District of Illinois granted final approval of the \$39.9 million settlement on March 17, 2015.

y. *In re Capital One Telephone Consumer Protection Act Litigation*—Filed in 2012 on behalf of consumers who received automated, prerecorded collection calls on their cellular telephones without their prior express consent. Terrell Marshall served as co-lead counsel in the multidistrict litigation. The Northern District of Illinois granted final approval of the \$75 million settlement on February 23, 2015.

14. I became a member of Terrell Marshall in 2014. The core of my practice is complex litigation, including the prosecution of class actions on behalf of consumers, actions involving vulnerable adults, trusts and estates, and real estate and commercial disputes. I have significant trial experience, having successfully tried commercial cases involving claims of breach of fiduciary duty, breach of contract, and breach of easement. I graduated from the University of Washington School of Law in 2003, where I was a member of the Pacific Rim Law and Policy Journal and Moot Court Honor Board. Before joining Terrell Marshall, I was a

1 member of Tousley Brain Stephens PLLC, where I practiced for five years. Before entering
2 private practice, I worked with the King County Prosecuting Attorney's Office, where I
3 prosecuted a broad range of crimes. I have tried approximately fifty cases and have briefed,
4 argued, and won cases before the Ninth Circuit Court of Appeals and the Washington State
5 Court of Appeals. Since my admission to the bar, I have been an active member of the
6 Washington State Bar Association and Washington Women Lawyers, as a member of the
7 Judicial Evaluation Committee. I have been named on the Washington Super Lawyers list since
8 2018.

9 15. Beth E. Terrell is a founding member of Terrell Marshall. With over twenty years
10 of experience, Ms. Terrell concentrates her practice in complex litigation, including the
11 prosecution of consumer protection, defective product, and wage and hour class actions. Ms.
12 Terrell has served as co-lead counsel on multi-state, multi-district, and nationwide class actions,
13 resulting in hundreds of millions of dollars in settlements for consumers and workers. Ms.
14 Terrell also represents individual employees with wage and hour, workplace exposure, and
15 discrimination claims. Ms. Terrell has tried and won cases in state and federal courts and
16 argued before the Washington State Court of Appeals and the Washington State Supreme Court
17 as well as several federal circuit level courts. Ms. Terrell served as the President of the Public
18 Justice Foundation Board of Directors from July 2019 to July 2020, serves on the Equal Justice
19 Works' Board of Counselors, and is Chair of both the Northwest Consumer Law Center and the
20 Washington Employment Lawyers Association. A member of the State Bar of California and the
21 Washington State Bar Association, Ms. Terrell Co-Chairs PLI's Consumer Financial Services
22 Institute, and frequently presents on a wide variety of topics, including class actions, consumer
23

1 protection, legal ethics, gender equity, and electronic discovery.

2 16. Toby J. Marshall is a founding member of Terrell Marshall who represents clients
3 in a wide variety of class actions and other complex litigation, including wage and hour, product
4 defect, civil rights, and consumer protection cases. Mr. Marshall has served as co-lead counsel
5 in numerous class and collective actions and has tried and won individual and class cases in
6 state and federal court. He has also argued several times before the Washington Supreme
7 Court, the Washington Court of Appeals, and the Ninth Circuit Court of Appeals. In 2002, Mr.
8 Marshall received his J.D. from the University of Washington School of Law, where he served on
9 the Moot Court Honor Board and was selected to the Order of Barristers. Before forming Terrell
10 Marshall, Mr. Marshall was a member of Tousley Brain Stephens PLLC. He regularly speaks at
11 seminars on employment and class action issues. Mr. Marshall is a member of the Washington
12 Employment Lawyers Association and serves on WELA's amicus and legislative committees. He
13 also serves on the ACLU of Washington's legal committee. Mr. Marshall has been named
14 several times to the Washington Super Lawyers list.

15 17. Ari Brown was of counsel with Terrell Marshall from 2019 to 2021. He graduated
16 magna cum laude from the Seattle University School of Law in 1999. Before joining Terrell
17 Marshall, Mr. Brown was a partner at the law firm of Hagens Berman Sobol Shapiro. For more
18 than 20 years his practice has focused on complex litigation cases and on the prosecution of
19 consumer class actions. He concentrated his practice on civil litigation in the area of consumer
20 protection, especially pertaining to banking practices and has served in leadership positions in a
21 number of Multi District Litigation class actions.

1 18. Ben Drachler joined Terrell Marshall as an associate in 2017. Mr. Drachler
2 concentrates his practice on complex civil litigation, including the prosecution of consumer,
3 defective product, and wage and hour class actions. Mr. Drachler also litigates complex disputes
4 involving vulnerable adults and trusts and estates. Mr. Drachler received his J.D. from Seattle
5 University, graduating magna cum laude in 2015. Before joining Terrell Marshall, Mr. Drachler
6 served as law clerk to the Honorable Robert H. Whaley in the United States District Court for
7 the Eastern District of Washington, and to the Honorable Thomas S. Zilly in the Western District
8 of Washington.

9 **Risk, Attorneys' Fees and Costs, and Service Award**

10 19. Based on our collective experience, my colleagues and I believe the settlement is
11 fair, reasonable, adequate, and in the best interest of the Settlement Class. Plaintiff and the
12 Settlement Class face significant risk from continued litigation. Sound Credit indicated that it
13 would move for summary judgment and argue that it is shielded from liability under the safe
14 harbor provision of RCW 48.22.120(5). Although the Court rejected Sound Credit's position at
15 the motion to dismiss stage and Plaintiff has strong arguments that the safe harbor does not
16 apply, if Sound Credit prevailed, Plaintiff and the Settlement Class would likely receive nothing.
17 Plaintiff also faced numerous challenges in certifying a class. In particular, Sound Credit
18 maintained that individualized issues regarding class members loans and insurance history
19 predominate over any common issues in the case. Plaintiff believes she would prevail on a
20 motion to certify the class, but if the Court denied certification, the Settlement Class would
21 have no opportunity for relief. Further, even if Plaintiff defeated Sound Credit's motion for
22 summary judgment, certified the class, and prevailed at trial, Sound Credit would undoubtedly

1 appeal.

2 20. Further litigation would be expensive, complex, lengthy, and would almost
3 certainly yield lesser relief for the Settlement Class. In contrast, the Settlement provides prompt
4 and certain relief for Settlement Class Members. Given these considerations, we believe the
5 settlement is in the best interest of the Settlement Class as a whole.

6 21. Plaintiff will request a service award for Plaintiff Debra Fealy in recognition of
7 her efforts on behalf of the Settlement Class, which included assisting counsel with the
8 investigation and ongoing litigation, answering written discovery, and staying apprised of the
9 litigation throughout. Plaintiff's support of the settlement is not conditioned on the Court
10 awarding a certain amount or any award at all.

11 22. Counsel have incurred more than a thousand hours of fees with no guarantee of
12 being compensated for its time and efforts. Payment of counsel's fees has always been
13 contingent on successfully obtaining relief for Plaintiff and proposed class members. Plaintiff's
14 counsel will file a motion for an award of attorneys' fees of no more than one-third of the
15 Settlement Fund and reimbursement of litigation costs. The Settlement is not in any way
16 contingent on the Court's approval of fees, or any particular amount of fees the Court may
17 award.

18 I declare under penalty of perjury under the laws of the state of Washington that the
19 foregoing is true and correct.

20 Executed in Seattle, Washington, on this 23rd day of May, 2022.

21 By: /s/ Adrienne D. McEntee, WSBA #34061
22 Adrienne D. McEntee, WSBA #34061

- Exhibit 1 -

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
COUNTY OF PIERCE

DEBRA FEALY, on behalf of herself and all
others similarly situated,

NO. 20-2-04853-0

Plaintiff,

v.

SOUND CREDIT UNION,

Defendant.

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Settlement Agreement")¹ is entered into by and between Plaintiff Debra Fealy, for herself and Settlement Class Members (as defined below), and Defendant Sound Credit Union. Plaintiff and Defendant are referred to collectively in this Settlement Agreement as the "Parties."

I. RECITALS

This Settlement Agreement is made with reference to and in contemplation of the following facts and circumstances:

1. On February 11, 2020, Plaintiff Debra Fealy filed a class action lawsuit against Sound Credit Union, captioned *Debra Fealy v. Sound Credit Union*, Case No. 20-2-04853-0 (the "Action"), in Pierce County Superior Court.

¹ All capitalized terms have the same meanings as those given to them in Section II below.

1 2. The Complaint alleges that Sound Credit Union engaged in conversion and unfair
2 acts and practices in violation of the Washington Consumer Protection Act, RCW 19.86.010, *et*
3 *seq.*, and was unjustly enriched, by acts and practices related to the imposition of Collateral
4 Protection Insurance on Washington residents who financed motor vehicles through Sound
5 Credit Union.

6 3. Sound Credit Union denies all claims asserted in the Action, and denies all
7 allegations of wrongdoing and liability. Sound Credit Union seeks to settle this Action for the
8 sole purpose of avoiding the burden and expense of continuing to litigate the Action.

9 4. The Parties litigated this case extensively. The Parties engaged in significant
10 written discovery, subpoenaed necessary third parties, and exchanged and reviewed more than
11 15,000 pages of documents. Through discovery, the Parties and their counsel thoroughly
12 assessed the strengths and weaknesses of their respective cases.

13 5. The Parties and their counsel engaged in extensive and arm's-length negotiations
14 concerning settlement of the claims asserted in the Action, including participating in a full-day
15 private mediation with Teresa A. Wakeen, an experienced mediator of consumer class action
16 lawsuits, and nearly a month of continued negotiations between the Parties aided by Ms.
17 Wakeen.

18 6. As a result of the abovementioned efforts and ongoing direct negotiations
19 between the Parties after the mediation, the Parties entered into this Settlement Agreement.
20 Subject to this Court's approval as required by Rule 23 of the Washington Civil Rules, this
21 Settlement Agreement will fully and forever resolve, discharge, and release all rights and claims
22 of the Class Representative and Settlement Class Members (as defined below) with respect to
23 the Released Claims. In exchange, Sound Credit Union agrees to pay the sum of \$750,000 into a
Settlement Fund for the benefit of Plaintiff and the Settlement Class Members.

 7. Class Representative and her counsel have concluded, based upon their
investigation and thorough assessment, and taking into account Sound Credit Union's defenses,

1 the expense and time necessary to continue to litigate the Action through class certification and
2 trial, the risks and costs associated with any further proceedings and potential appeals, the
3 uncertainties of proving the claims asserted in the Action, and the substantial benefits to be
4 received pursuant to this Settlement Agreement, that a settlement with Defendant and the
5 terms of this Settlement Agreement are fair, adequate, and reasonable, as well as in the best
6 interest of Plaintiff and the Settlement Class Members.

7 8. Class Representative, on behalf of herself and Settlement Class Members, and
8 Sound Credit Union agree to the terms of this Settlement Agreement and to have judgment
9 entered without trial or adjudication of any factual or legal issue. Class Representative also
10 agrees that this Settlement Agreement, including any of its exhibits, does not constitute any
11 evidence against, or any admission by Sound Credit Union.

12 **THEREFORE**, the Parties hereby stipulate and agree as follows, in consideration of the
13 agreements, promises, and covenants set forth in this Settlement Agreement, and subject to
14 approval of the Court.

15 **II. DEFINITIONS**

16 In addition to the terms defined in other Sections of this Settlement Agreement, the
17 following defined terms apply to this Settlement Agreement and its exhibits:

18 1. "Class Counsel" means the law firms of Terrell Marshall Law Group, PLLC and
19 Smith & Dietrich Law Offices PLLC.

20 2. "Class Representative" means Plaintiff Debra Fealy.

21 3. "Collateral Protection Insurance" means the insurance coverage defined by RCW
22 48.22.110(4) insuring primarily or solely Sound Credit Union's interest as a secured party in a
23 motor vehicle serving as collateral for a loan.

4. "Collateral Protection Insurance Administrator" or "Collateral Protection
Insurance Administrators" means Allied Solutions, LLC, and Southwest Business Corporation.

5. "Court" means the Superior Court for the State of Washington County of Pierce.

1 6. “Effective Date” means the fifth day after the later of the following events:

2 a. The final disposition of any appeals from the Final Approval Order; or

3 b. The expiration of the applicable deadline to seek appellate review of the
4 Final Approval Order.

5 7. “Final Approval” means the date that the Court enters the Final Approval Order
6 and determines the amount of attorneys’ fees, costs, and expenses awarded to Class Counsel
7 and the amount of any Service Award to the Class Representative.

8 8. “Final Approval Hearing” means the hearing set by the Court to determine
9 whether to finally approve the Settlement, and whether to approve Class Counsel’s requested
10 fees and expenses and the amount of the Service Award to the Class Representative.

11 9. “Final Approval Order” means the order and judgment that the Court enters
12 after finally approving the Settlement.

13 10. “Net Settlement Fund” means the Settlement Fund after all deductions for
14 attorneys’ fees and costs, settlement administration costs, and the Service Award.

15 11. “Notice Plan” means the proposed plan of sending notice to the Settlement Class
16 of the proposed Settlement as set forth in Section VII.6 of this Settlement Agreement.

17 12. “Objection Deadline” means forty-five (45) calendar days from the Settlement
18 Notice Date.

19 13. “Opt-Out Deadline” means forty-five (45) calendar days from the Settlement
20 Notice Date.

21 14. “Preliminary Approval Order” means the order that the Court enters upon
22 preliminarily approving the Settlement.

23 15. “Qualified Settlement Fund” means the account set up by the Settlement
24 Administrator in which Sound Credit Union will deposit the Settlement Fund.

25 16. “Released Claims” means all liabilities, rights, claims, actions, causes of action,
26 demands, damages, costs, attorneys’ fees, losses and remedies, whether known or unknown,
27 whether or not they are known or unknown at the time of the Settlement.

1 existing or potential, suspected or unsuspected, liquidated or unliquidated, legal, statutory, or
2 equitable, based on contract, tort, or any other theory, that result from, arise out of, are based
3 upon, or are related to the conduct, omissions, duties, or matters that were or could have been
4 alleged in the Action relating to or arising out of the placement of Collateral Protection
Insurance.

5 17. "Released Parties" means Sound Credit Union and each of its present and former
6 parents, subsidiaries, officers, directors, employees, agents, insurers, members, attorneys,
7 advisors, consultants, representatives, independent contractors, Collateral Protection Insurance
8 Administrators, collateral protection insurance carriers (including but not limited to Securian
Casualty Company), predecessors, successors and assigns of each of them.

9 18. "Service Award" means any Court ordered payment to Class Representative for
10 serving in that role, which is in addition to any payment due to her as a Settlement Class
11 Member.

12 19. "Settlement" means the settlement contemplated by this Settlement
Agreement.

13 20. "Settlement Administration Costs" means the costs of the Settlement
14 Administrator's work relating to Settlement Notice, the Notice Plan, or the administration of
15 the Settlement.

16 21. "Settlement Administrator" means American Legal Claim Services LLC.

17 22. "Settlement Award" means a cash payment that may be available to eligible
Settlement Class Members.

18 23. "Settlement Class" and "Settlement Class Members" mean all Washington
19 residents who financed a motor vehicle through Sound Credit Union and who, from February
20 11, 2016, and up through the date of final judgement, were charged more for, or as a result of,
21 collateral protection insurance than they would otherwise have been charged if Sound Credit
22 Union had: (i) notified them earlier or differently of alleged deficiencies in insurance coverage,

1 (ii) used a pro rata refund method, (iii) not charged an administrative fee, or (iv) not received an
2 administrative reimbursement from the collateral protection insurance carrier or third-party
3 collateral protection insurance administrator.

4 24. "Settlement Fund" means the total cash sum of \$750,000 to be paid by Sound
5 Credit Union pursuant to Section III of this Agreement. The Settlement Fund will be maintained
6 in an escrow account managed by the Settlement Administrator. The Settlement Administrator
7 will act in accordance with the terms of this Settlement Agreement and the orders of the Court.

8 25. "Settlement Notice" means the notice that will be provided pursuant to Section
9 VII.6 of this Settlement Agreement.

10 26. "Settlement Notice Date" means the date the Settlement Notices are sent
11 pursuant to the Notice Plan.

12 27. "Settlement Website" means the website that will be established and
13 maintained by the Settlement Administrator as set forth in this Settlement Agreement.

14 **III. SETTLEMENT CONSIDERATION**

15 1. Settlement Fund. Sound Credit Union shall pay \$750,000 into the Settlement
16 Fund, inclusive of Settlement Awards to Settlement Class Members, Settlement Administration
17 Costs, Class Counsel's attorneys' fees and costs, and the Class Representative's Service Award
18 within thirty (30) days of the Preliminary Approval Date, and shall transfer the Settlement Fund
19 into a Qualified Settlement Fund set up by the Settlement Administrator. If the Court awards
20 anything less than the amounts requested for the service award, attorneys' fees and costs, or
21 Settlement Administration Costs, then the difference shall be allocated to Settlement Class
22 Members. In no event shall Sound Credit Union's total obligation to make cash payments with
23 respect to this Settlement Agreement exceed \$750,000. And in no event shall any portion of
the Settlement Fund revert back to Sound Credit Union.

2. Settlement Class Members. As part of discovery in the Action, Sound Credit
Union and its Collateral Protection Insurance Administrators produced anonymized data

1 relating to borrowers Sound Credit Union charged for Collateral Protection Insurance. Class
2 Counsel analyzed that data to identify 2,569 loans in the Settlement Class.

3 3. Settlement Awards. The Net Settlement Fund will be allocated pro rata to
4 Settlement Class Members based on their total damages as calculated by Class Counsel,
5 provided that no Settlement Class Member shall receive a Settlement Award of less than ten
6 (\$10) dollars ("Allocation Plan"). Settlement Award checks shall be mailed by the Settlement
7 Administrator within 30 days after the Effective Date. The Settlement Administrator shall mail,
8 by first class mail, a check to each Settlement Class Member whose Settlement Notice was not
9 returned undeliverable in the amount of the Settlement Class Member's Settlement Award.
10 Settlement Class Members will not be required to submit claims in order to receive a
11 Settlement Award. Checks will be valid for 120 days from the date on the check. The Settlement
12 Administrator shall issue any necessary IRS Form 1099 to Settlement Class Members for their
13 respective Settlement Awards.

14 4. Unclaimed Settlement Funds. All unclaimed Settlement Awards, including all
15 returned checks and all checks not cashed within 120 days from the date on the check, shall
16 remain in the Net Settlement Fund.

17 a. Cy pres Award. If there are undistributed amounts remaining in the Net
18 Settlement Fund after the check-cashing periods described in the preceding paragraph,
19 the Parties agree that such funds shall be distributed *cy pres* as follows:

- 20 i. 50% to the Legal Foundation of Washington;
- 21 ii. 50% to the Northwest Justice Project;

22 5. Taxes. The Settlement Fund shall be deemed a "qualified settlement fund"
23 within the meaning of 26 C.F.R. § 1.468B-1 at all times since creation of the Settlement Fund.
All taxes (including any estimated taxes, and any interest or penalties relating to them) arising
with respect to the income earned by the Qualified Settlement Fund or otherwise, including any
taxes or tax detriments that may be imposed upon Sound Credit Union, Sound Credit Union's

1 Counsel, the Class Representative, and/or Class Counsel with respect to income earned by the
2 Qualified Settlement Fund for any period during which the Qualified Settlement Fund does not
3 qualify as a “qualified settlement fund” for the purpose of federal or state income taxes or
4 otherwise (collectively “Taxes”), shall be paid out of the Qualified Settlement Fund. Sound
5 Credit Union and Sound Credit Union’s Counsel and the Class Representative and Class Counsel
6 shall have no liability or responsibility for any of the Taxes.

7 **IV. SERVICE AWARD TO PLAINTIFF AND ATTORNEYS’ FEES AND EXPENSES**

8 1. Service Award to Plaintiff. Class Counsel will ask the Court to approve payment
9 of a service award for the Plaintiff for her time and effort in connection with this Action in the
10 amount of \$5,000, which Sound Credit Union may separately address with the Court. The
11 Settlement Administrator shall pay any court-approved service award from the Settlement
12 Fund to the Class Representative, within seven (7) days after the Effective Date, at Class
13 Counsel’s instruction.

14 2. Litigation Expenses and Attorney’s Fees. Class Counsel will move the Court for an
15 award of reasonable attorneys’ fees and expenses of one-third of the Settlement Fund to be
16 paid from the Settlement Fund. Class Counsel will file their motion for an award of attorneys’
17 fees, costs, and a service award to the Class Representative, within fourteen (14) days of the
18 Settlement Notice Date. Sound Credit Union may separately address with the Court the request
19 for attorneys’ fees and expenses. The Settlement Administrator shall pay any award of
20 attorneys’ fees and expenses approved by the Court from the Settlement Fund to Class Counsel
21 within seven (7) days after the Effective Date.

22 3. Effect of Lesser Award. If the Court awards a service award to Plaintiff or fees
23 and costs to Class Counsel that are lower than requested, this Settlement Agreement will
remain in full force and will continue to be binding on all Parties, including the Settlement Class
Members. No funds shall revert to Sound Credit Union.

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VI. PRELIMINARY APPROVAL

1. Motion for Preliminary Approval. Upon execution of this Agreement, Class Counsel shall promptly move the Court for an Order granting Preliminary Approval of this Settlement in substantially the form attached as Exhibit A. The motion for preliminary approval, which shall be approved by Sound Credit Union before filing, shall, among other things, request that the Court: (a) preliminarily approve the Settlement as the product of serious, informed, and arm's-length negotiations, with no obvious deficiencies and without granting preferential treatment to any Settlement Class Member, and within the range of possible judicial approval as fair, adequate, and reasonable; (b) provisionally certify the Settlement Class pursuant to Civil Rule 23 for settlement purposes only and appoint Class Counsel as counsel for the Settlement Class; (c) approve the forms of Settlement Notice and find that the Notice Plan constitutes the best notice practicable under the circumstances, provides due and sufficient notice to the Settlement Class and fully satisfies the requirements of due process and Civil Rule 23; (d) direct that notice be provided to the Settlement Class, in accordance with this Agreement, within thirty (30) days following entry of the Preliminary Approval Order; (e) approve the procedures set forth in Sections VIII and IX for Settlement Class Members to object to the Settlement or exclude themselves from the Settlement Class, and set the Opt-Out and Objection Deadlines for forty-five (45) days after the Settlement Notice Date; and (f) schedule a hearing on Final Approval of the Settlement, which shall be scheduled no earlier than thirty (30) days after the Opt-Out and Objection Deadlines.

VII. SETTLEMENT ADMINISTRATION AND NOTICE

1. Settlement Administrator. The Settlement Administrator shall be responsible for administration of this Settlement in accordance with the terms of this Agreement, including:

- a. Establishing the Qualified Settlement Fund;
- b. Sending Settlement Notice to the Settlement Class in the form and manner approved by the Court;

1 c. Establishing and maintaining a post office box for the receipt of opt-out
2 requests and objections;

3 d. Establishing and maintaining an Interactive Voice Response (“IVR”) call
4 center that will allow Settlement Class Members to call and hear an IVR message. The
5 IVR message will allow Settlement Class members to select what information they
6 would like to hear from a “tree” of selections related to Settlement-related inquiries;

7 e. Responding to any inquiries from Settlement Class Members;

8 f. Processing all requests for exclusion from the Settlement Class;

9 g. Preparing reports regarding the Settlement Notice, the number of
10 requests for exclusion, and the number of objections, as directed by the Parties’ counsel
11 and the Court;

12 h. Sending Settlement Award checks and any necessary IRS Form 1099 to
13 Settlement Class Members; and

14 i. Any other Settlement-administration-related function as directed by the
15 Parties’ counsel.

16 2. Confidentiality. The Settlement Administrator shall keep all information
17 regarding Settlement Class Members confidential except as provided in this Agreement.

18 3. Payment of Administration and Notice. All costs of administering this Settlement
19 shall be paid from the Settlement Fund.

20 4. Class List. No later than fourteen (14) days after the issuance of the Preliminary
21 Approval Order, Sound Credit Union shall provide the Settlement Administrator with the
22 following information for each Settlement Class Member in Excel format: name, last known
23 mailing address, and social security number, if known to Sound Credit Union. Upon request,
Sound Credit Union shall also provide dates of birth of Settlement Class Members, if known to
Sound Credit Union, to the Settlement Administrator. The Settlement Administrator shall make

1 reasonable efforts to update and verify class member addresses and contact information prior
2 to mailing using the National Change of Address system or another equally reliable system.

3 5. Allocation Plan. Within fourteen (14) days of the issuance of the Preliminary
4 Approval Order, Class Counsel shall provide the Settlement Administrator with the Allocation
5 Plan and the estimated Settlement Award each Settlement Class Member is expected to
6 receive.

7 6. Notice. The Settlement Administrator shall provide Class Members with notice as
8 detailed below within thirty (30) calendar days after the issuance of the Preliminary Approval
9 Order:

10 a. Notice by U.S. Mail. The Settlement Administrator will provide individual
11 Settlement Notice through first class U.S. mail ("Postcard Notice") on a form approved
12 by the Court and in substantially the form attached as Exhibit B. The Postcard Notice
13 shall include a description of the material terms of the Settlement, the minimum dollar
14 amount of Settlement Class Members' Awards, and notice of the right to object to the
15 Settlement or opt out of the Settlement Class. Should any Notice be returned as
16 undeliverable with a forwarding address, the Settlement Administrator shall make a
17 second attempt at mailing the Settlement Notice to the forwarding address. Should any
18 Notice be returned as undeliverable without a forwarding address, the Settlement
19 Administrator will perform a reasonable "skip-trace" search using the National Change
20 of Address database or another equally reliable system to obtain an updated address
21 and, if located, shall make a second attempt at mailing the Settlement Notice. If such
22 Settlement Notice is again returned as undeliverable, no further attempts at delivery of
23 the Settlement Notice will be made.

20 b. Settlement Website. The Settlement Administrator will establish and
21 maintain the Settlement Website, which will display, at a minimum, the Complaint, this
22 Settlement Agreement, the Preliminary Approval Order, and a long form Settlement
23

1 Notice ("Long Form Notice") in substantially the form attached as Exhibit C. After Class
2 Counsel files a motion for an award of attorneys' fees, costs and service award to the
3 Class Representative, the Settlement Administrator shall display the motion on the
4 Settlement Website.

5 **VIII. OPT-OUT PROCESS**

6 1. Opt-Out Requirements. Settlement Class Members may exclude themselves
7 from the Settlement Class by advising the Settlement Administrator in writing, no later than the
8 Opt-Out Deadline, that they do not want to be a Settlement Class Member. All such writings
9 must include the name and address of the individual opting out, and must be postmarked no
10 later than the Opt-Out Deadline. All persons in the Settlement Class will be bound by this
11 Settlement and judgments of the Court in this Action unless they exclude themselves in writing
12 by the Opt-Out Deadline.

13 2. Retention of Opt-Outs. The Settlement Administrator will retain a copy of all opt-
14 out requests and will provide copies to the Parties' counsel upon request.

15 **IX. OBJECTIONS**

16 1. Right to Object. Any Settlement Class Member who desires to object to the
17 fairness of this Settlement must file a written objection with the Court at the address listed in
18 the Settlement Notice, with copies to Class Counsel, Sound Credit's Counsel, and the
19 Settlement Administrator, by the Objection Deadline. For an objection to be considered by the
20 Court, the objection must also include:

- 21 a. the name of this action;
- 22 b. the objector's full name, address and telephone number;
- 23 c. an explanation of the basis upon which the objector claims to be a
Settlement Class Member;
- d. all grounds for the objection, accompanied by any legal support for the
objection known to the objector or objector's counsel;

1 e. the number of times in which the objector has objected to a class action
2 settlement within the five years preceding the date that the objector files the objection,
3 the caption of each case in which the objector has made such objection, and a copy of
4 any orders related to or ruling upon the objector's prior objections that were issued by
5 the trial and appellate courts in each listed case;

6 f. the identity of all counsel who represent the objector, including any
7 former or current counsel who may be entitled to compensation for any reason related
8 to the objection to the settlement in this action or fee application;

9 g. a copy of any orders related to or ruling upon counsel's or the counsel's
10 law firm's prior objections that were issued by the trial and appellate courts in each
11 listed case in which the objector's counsel and/or counsel's law firm have objected to a
12 class action settlement within the preceding 5 years; and

13 h. the objector's signature (an attorney's signature is not sufficient).

14 2. Class Counsel and/or Sound Credit Union's counsel may conduct limited
15 discovery on any objector consistent with the Washington Civil Rules.

16 3. Right to Appear at Final Approval Hearing. Anyone who properly objects, as
17 described herein, may appear at the Final Approval Hearing, including through an attorney
18 hired at the objector's expense. Such objectors or their attorneys intending to appear at the
19 Final Approval Hearing must file a notice of appearance with the Court no later than ten (10)
20 days before the Final Approval Hearing and send a copy of the notice of appearance to Class
21 Counsel and Sound Credit Union's counsel. Any member of the Settlement Class who fails to
22 comply with the provisions of Section IX of the Settlement Agreement shall waive and forfeit
23 any and all rights to appear and/or object separately, and shall be bound by the terms of this
Settlement and the orders and judgments of the Court.

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X. FINAL APPROVAL

1. Declaration of Notice by Settlement Administrator. The Settlement Administrator shall provide the Parties' counsel no later than twenty (20) days prior to the Final Approval Hearing with a declaration stating that the Notice required by this Settlement Agreement has been completed pursuant to the Preliminary Approval Order. The declaration shall, among other things, identify the number of delivered Postcard Notices, the number of Postcard Notices returned as undeliverable, and the number of Settlement Class Members who excluded themselves from the Class.

2. Motion for Final Approval Order. No later than fourteen (14) days before the Final Approval Hearing, Class Counsel shall move the Court to enter a Final Approval Order in substantially the form attached as Exhibit D to this Settlement Agreement. Sound Credit Union must approve the motion before filing. The memorandum shall also address any objections, and Sound Credit Union's counsel may, but is not required to, file an additional memorandum regarding any objections.

3. Final Approval Order. This Settlement Agreement is subject to and conditioned upon the issuance by the Court of a Final Approval Order that grants approval of this Settlement and:

- a. Certifies the Settlement Class as set forth in this Agreement;
- b. Finds that the notice under the Notice Plan satisfies the requirements of due process and Washington Civil Rule 23;
- c. Finds that the Settlement Agreement is fair, reasonable, and adequate to the Settlement Class Members;
- d. Finds that Plaintiff and Class Counsel have adequately represented the Settlement Class Members;
- e. Finds that each Settlement Class Member shall be bound to this Settlement Agreement, including the release in Section XI;

- 1 f. Approves this Settlement;
- 2 g. Dismisses with prejudice all claims of the Settlement Class Members
- 3 asserted in this Action;
- 4 h. Permanently enjoins each Settlement Class Member from bringing,
- 5 joining, or continuing to prosecute against the Released Parties any action involving the
- 6 Released Claims, other than those Settlement Class Members who opt out of the
- 7 Settlement; and
- 8 i. Retains jurisdiction of all matters relating to the administration,
- 9 implementation, interpretation, and enforcement of this Settlement.

10 4. Final Settlement Award Calculations: Within seven (7) days of the Final Approval

11 Order, Class Counsel shall provide the Settlement Administrator with the final amount of each

12 Settlement Class Member's Settlement Award.

13 XI. RELEASE OF CLAIMS

14 1. Class Release. As of the Effective Date, each Settlement Class Member who does

15 not timely opt-out of the Settlement Class, on behalf of himself or herself and on behalf of his

16 or her respective heirs, assigns, beneficiaries and successors shall automatically be deemed to

17 have fully and irrevocably released and forever discharged Released Parties from any and all

18 Released Claims. Each Settlement Class Member who does not timely opt-out of the Settlement

19 Class is barred and permanently enjoined from bringing on behalf of themselves or through any

20 person purporting to act on their behalf or purporting to assert a claim under or through them,

21 any of the Released Claims against the Released Parties in any forum, action, or proceeding of

22 any kind.

23 2. Individual Release. As of the Effective Date, the Class Representative, on behalf

of herself and her heirs, assigns, beneficiaries, and successors, fully and irrevocably releases and

forever discharges the Released Parties from any and all liabilities, rights, claims, actions, causes

of action, demands, damages, costs, attorneys' fees, losses and remedies, whether known or

1 unknown, existing or potential, suspected or unsuspected, liquidated or unliquidated, legal,
2 statutory, or equitable, based on contract, tort, or any other theory that arose or accrued at
3 any time before the Effective Date of the Settlement.

4 **XII. TERMINATION OF AGREEMENT**

5 1. The Parties' Right to Terminate Settlement. The Parties shall have the right to
6 unilaterally terminate this Settlement Agreement by providing written notice of its election to
7 do so to the other party within fourteen (14) calendar days of any of the following events:

- 8 a. The Court declines preliminary or final approval of the Settlement
9 Agreement, or changes or modifies the Settlement Fund or the Released Claims;
- 10 b. An Appellate Court reverses the Final Approval Order;
- 11 c. The Effective Date does not occur;
- 12 d. By the other party, if a party or its counsel breaches the terms of this
13 Settlement Agreement prior to the Effective Date;
- 14 e. Any other ground for termination provided elsewhere in this Agreement.

15 2. Sound Credit Union also shall have the right to terminate the Settlement by
16 serving on Class Counsel and filing with the Court a notice of termination within 14 days after
17 its receipt from the Settlement Administrator of any report indicating that the number of
18 Settlement Class Members who timely request exclusion from the Settlement Class equals or
19 exceeds 100 Settlement Class Members.

20 3. The disapproval by the Court of the Allocation Plan for Settlement Funds or a
21 decrease in the fees and costs awarded to Class Counsel from the amount requested shall not
22 be grounds to terminate the Settlement.

23 **XIII. NO ADMISSION OF LIABILITY**

1 Denial of Liability. Sound Credit Union denies any liability or wrongdoing of any
2 kind in connection with the claims alleged in this Action. Sound Credit Union has denied and
3 continues to deny each and every material factual allegation in this Action. Nothing in this

1 Settlement Agreement and all acts performed in furtherance of this Settlement Agreement
2 shall constitute an admission by Sound Credit Union of wrongdoing or liability in this Action.
3 Nothing in this Settlement Agreement and no action taken in furtherance of this Settlement
4 Agreement shall constitute an admission by Sound Credit Union of the truth of any factual
5 allegations in this Action. While Sound Credit Union denies any liability, it has concluded that
6 further litigating this Action would be expensive and waste time and resources. Thus, Sound
7 Credit Union has concluded that it is desirable to fully and finally settle this Action.

8 2. Washington Rule of Evidence 408. Pursuant to Rule 408 of the Washington Rules
9 of Evidence, this Settlement Agreement and any related documents filed or created in
10 connection with this Settlement Agreement shall be inadmissible as evidence in any
11 proceeding, except as necessary to approve, interpret, or enforce this Settlement Agreement.

12 **XIV. GENERAL PROVISIONS**

13 1. Entire Agreement. This Settlement Agreement and its exhibits constitute the
14 entire agreement between the Parties.

15 2. Jurisdiction. This Court shall retain continuing and exclusive jurisdiction over the
16 Parties to this Settlement Agreement, including the Settlement Class Members, and the
17 administration and enforcement of this Settlement Agreement.

18 3. No Construction Against Drafter. This Settlement Agreement will be deemed to
19 have been drafted by the Parties, and any rule that a document shall be interpreted against the
20 drafter will not apply.

21 4. Authority. Each person executing this Settlement Agreement on behalf of any of
22 the Parties hereto represents that such person has the authority to so execute this Settlement
23 Agreement.

5. No Oral Modifications. This Settlement Agreement may not be amended or
modified in any manner except by a writing signed by Sound Credit Union and Class Counsel,
and approved by the Court.

1 6. No Assignment. No party to this Settlement Agreement has heretofore assigned,
2 transferred, or granted, or attempted to do so, any of the claims or causes of action disposed of
3 by this Settlement Agreement.

4 7. Agreement Binding on Successors in Interest. This Settlement Agreement is
5 binding on and shall inure to the benefit of the respective heirs, successors, and assigns of the
6 Parties.

7 8. Resolution of Disputes. Any disputes regarding the administration of this
8 Settlement Agreement that the Parties cannot resolve between themselves will be decided by
9 the Court.

10 9. Execution in Counterparts. This Settlement Agreement may be executed in any
11 number of counterparts, each of which shall be deemed an original, but all of which shall
12 constitute one and the same instrument.

13 10. Notices. All notices to counsel provided herein shall be sent by electronic mail
14 with a hard copy sent by overnight mail to:

15 As to the Class Representative and Settlement Class Members:

16 TERRELL MARSHALL LAW GROUP PLLC
17 Beth E. Terrell
18 Email: bterrell@terrellmarshall.com
19 Adrienne D. McEntee
20 Email: amcentee@terrellmarshall.com
21 936 North 34th Street, Suite 300
22 Seattle, Washington 98103-8869
23 Telephone: (206) 816-6603
 Facsimile: (206) 319-5450

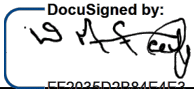
SMITH & DIETRICH LAW OFFICES, PLLC
Walter M. Smith
Email: walter@smithdietrich.com
Steve E. Dietrich
Email: steve@smithdietrich.com
3905 Martin Way E, Suite F
Olympia, WA 98506

As to Defendant Sound Credit Union:

FARLEIGH WADA WITT
Kimberley Hanks McGair
Email: kmcgair@fwwlaw.com
Trish A. Walsh
Email: twalsh@fwwlaw.com
121 SW Morrison Street, Suite 600
Portland, Oregon 97204

1 IN WITNESS HEREOF the undersigned, being duly authorized, have caused this Agreement to be
2 executed on the dates shown below.

3 DEBRA FEALY

4 By:  FF2035D2B84E4E3...
5 Plaintiff

5/19/2022
Date

6
7 TERRELL MARSHALL LAW GROUP PLLC

8 By: Adrian D. Monte
9 Counsel for Plaintiff

5/19/2022
Date

10
11 SMITH & DIETRICH LAW OFFICES, PLLC

12 By: Walter Smith
13 Counsel for Plaintiff

5/23/2022
Date

14
15 SOUND CREDIT UNION

16 By: _____
17 Defendant

Date

18
19 FARLEIGH WADA WITT

20 By: _____
21 Counsel for Defendant

Date

1 IN WITNESS HEREOF the undersigned, being duly authorized, have caused this Agreement to be
2 executed on the dates shown below.

3 DEBRA FEALY

4 By: _____
5 Plaintiff

_____ Date

6
7 TERRELL MARSHALL LAW GROUP PLLC

8 By: _____
9 Counsel for Plaintiff


_____ Date

10
11 SMITH & DIETRICH LAW OFFICES, PLLC

12 By: _____
13 Counsel for Plaintiff

_____ Date

14
15 SOUND CREDIT UNION

16 By: 
17 Defendant

3/19/22
_____ Date

18
19 FARLEIGH WADA WITT

20 By: 
21 Counsel for Defendant

5/10/22
_____ Date

Exhibit A

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
COUNTY OF PIERCE

DEBRA FEALY, on behalf of herself and all
others similarly situated,

Plaintiff,

v.

SOUND CREDIT UNION,

Defendant.

NO. 20-2-04853-0

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS ACTION
SETTLEMENT AND DIRECTING NOTICE TO
THE SETTLEMENT CLASS**

THIS MATTER came before the Court on Plaintiff's Motion for Preliminary Approval of Class Action Settlement. Prior to ruling, the Court considered the following documents and evidence:

1. Plaintiffs' Motion for Preliminary Approval of Class Action Settlement;
2. Declaration of Adrienne D. McEntee in Support of Plaintiffs' Motion for Preliminary Approval of Class Action Settlement and attached exhibits;
3. Declaration of Walter M. Smith;
4. _____; and
5. _____.

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. The Court preliminarily approves the Settlement Agreement and Release between Plaintiff and Sound Credit Union. All capitalized terms herein have the meanings ascribed to them in the Settlement Agreement and Release.

2. The proposed Settlement appears to be the product of serious, informed, non-collusive negotiations, including a mediation before a mediator with substantial experience with consumer class action cases. The proposed Settlement has no obvious deficiencies, does not improperly grant preferential treatment to any class members, and falls within the range of possible judicial approval. These factors weigh in favor of granting preliminary approval. *See* William B. Rubenstein, *Newberg on Class Actions* § 13:10 (5th ed. June 2019 update 5th).

3. For purposes of settlement only, the Court finds that the Settlement Class satisfies the requirements of CR 23(a) and (b)(3) and grants conditional and preliminary certification of the following Settlement Class: All Washington residents who financed a motor vehicle through Sound Credit Union and who, from February 11, 2016, and up through the date of final judgement, were charged more for, or as a result of, collateral protection insurance than they would otherwise have been charged if Sound Credit Union had: (i) notified them earlier or differently of alleged deficiencies in insurance coverage, (ii) used a pro rata refund method, (iii) not charged an administrative fee, or (iv) not received an administrative reimbursement from the collateral protection insurance carrier or third-party collateral protection insurance administrator.

4. Excluded from the Settlement Class is Sound Credit Union, its parents, subsidiaries, affiliates, officers and directors, all Settlement Class members who make a timely election to be excluded, and all judges assigned to this litigation and their immediate family members.

5. The numerosity requirement is satisfied because the Class consists of approximately 2,569 individuals. *See* CR 23(a)(1); *Miller v. Farmer Bros. Co.*, 115 Wn. App. 815, 821, 64 P.3d 49 (2003).

6. The commonality requirement is satisfied because there are overarching questions of law and fact common to the class, including the contested issues of whether Sound Credit Union engaged in conversion and/or unfair and deceptive acts or practices in violation of the Washington Consumer Protection Act in the manner in which it charged Settlement Class Members for collateral protection insurance premiums, fees, and interest, failing to fully refund unearned collateral protection insurance premiums; and whether Sound Credit Union was unjustly enriched

by charging of improper administrative fees and accepting reimbursement of certain premiums. See CR 23(a)(2); *Smith v. Behr Process Corp.*, 113 Wn. App. 306, 320, 54 P.3d 665 (2002).

7. The typicality requirement is satisfied because Plaintiff's claims arise from the same course of conduct that gives rise to the claims of other Settlement Class Members and is based on the same legal theories. See CR 23(a)(3); *Pellino v. Brink's Inc.*, 164 Wn. App. 668, 267 P.3d 383, 392 (2011).

8. The adequacy requirement is satisfied because Plaintiff has no interests antagonistic to the other Settlement Class Members and is represented by experienced, qualified counsel. See *Hansen v. Ticket Track, Inc.*, 213 F.R.D. 412, 415 (W.D. Wash. 2003).

9. The predominance requirement is satisfied because there is a "common nucleus of operative facts" to each Settlement Class Member's claim, and Settlement Class Members were subject to the same conduct by Sound Credit Union. See CR 23(b)(3); *Chavez v. Our Lady of Lourdes Hosp. at Pasco*, 190 Wash. 2d 507, 516, 415 P.3d 224 (2018).

10. The superiority requirement is satisfied because the resolution of approximately 2,569 claims in one action is far superior to individual lawsuits and promotes consistency and efficiency of adjudication. See CR 23(b)(3); *Chavez*, 190 Wn.2d at 518-23.

11. For the purposes of settlement, the Court appoints Debra Fealy as the class representative of the Settlement Class.

12. The Court appoints Beth E. Terrell and Adrienne D. McEntee of Terrell Marshall Law Group PLLC, and Walter M. Smith and Steve E. Dietrich of Smith & Dietrich Law Offices PLLC as Settlement Class Counsel.

13. The Court appoints and has jurisdiction over American Legal Claim Services LLC as the Settlement Administrator. As provided in the Settlement Agreement, the Settlement Administrator shall disseminate notice to Settlement Class Members, by mail, track responses, mail Settlement Awards and arrange for the filing of tax forms and payments (if any) relating to the Settlement Fund and such other duties as are called for by the Settlement Agreement or ordered by the Court.

14. The Court approves, as to form and content, the Postcard Notice and Long Form Notice attached as exhibits to the Settlement Agreement that the Parties have prepared (collectively the “Notices”). The Notices provide all of the information Settlement Class Members need to evaluate and respond to the Settlement, including: the nature of the litigation; the general terms of the proposed Settlement; their rights under the Settlement; an explanation of how they can object to or exclude themselves from the Settlement; the identity of Class Counsel and that Class Counsel will request attorneys’ fees and expenses from the Settlement Fund, and a service award for Plaintiff; and the date and time of the Final Approval Hearing. The notices also direct Class Members to a website established by the Settlement Administrator that will provide additional information about the Settlement, as well as a toll-free number that Settlement Class Members can call with questions about the Settlement.

15. The Court also approves the Parties’ plan for disseminating notice, which will ensure that Settlement Class Members receive “the best notice practicable under the circumstances.” *See* CR 23(c)(2). Issuance of notice substantially in the manner set forth in Section VII.6 of the Settlement Agreement satisfies the requirements of due process and applicable state and federal law and constitutes due and sufficient notice to all members of the Settlement Class.

16. Within fourteen (14) days of the date of this Order, Sound Credit Union will provide the Settlement Administrator with the following information for each Settlement Class Member: (1) full name, (2) last known mailing address, and (3) social security number.

17. Within fourteen (14) days of the date of this Order, Class Counsel shall provide the Settlement Administrator with the Allocation Plan and the estimated amount each Settlement Class Member is expected to receive.

18. Class Counsel shall file their motion for attorneys’ fees and costs, and a service award to Plaintiff within fourteen (14) days after the Settlement Notice Date.

19. Any Settlement Class Member may exclude himself or herself from the Settlement by submitting a written request to the Class Administrator no later than forty-five (45) days after the Settlement Notice Date. Following final approval of the Settlement and the occurrence of the

Effective Date, each Settlement Class Member who did not submit a timely, valid request for exclusion shall be bound by the releases in the Settlement Agreement.

20. Any Settlement Class Member may object to the Settlement by submitting a written statement to the Class Administrator within forty-five (45) days after the Settlement Notice Date. The statement of objection must include the information stated in Section IX.1 of the Settlement Agreement. Any objector or their attorney may appear at the Final Approval Hearing. In order to do so, such objectors or their attorneys must file a notice of appearance with the Court no later than ten (10) days before the Final Approval Hearing and send a copy of the notice of appearance to Class Counsel and Defendant's Counsel.

21. Responses from the Parties to any objections from Settlement Class Members shall be filed no later than fourteen (14) days prior to the Final Approval Hearing.

22. Class Counsel shall file their motion for entry of the Final Approval Order and final approval of the Settlement no later than fourteen (14) days prior to the Final Approval Hearing.

23. The Final Approval Hearing shall be held before this Court on _____, at _____ a.m./p.m. in the courtroom of the Honorable Gretchen Leanderson, Department 15, Pierce County Superior Court, 930 Tacoma Avenue South, Tacoma, Washington, 98402. At the hearing, the Court will consider whether the prerequisites for class certification and treatment under CR 23(a) and (b)(3) are satisfied and whether the Settlement is fair, reasonable, and adequate, and should be approved by the Court. The Court will also consider Class Counsel's motion for attorneys' fees and costs and for a service award to Plaintiff, and rule on any other matters that the Court deems appropriate.

24. The Court retains jurisdiction over the Action and all matters arising out of or connected with the proposed Settlement. All deadlines in the current Case Scheduling Order are hereby stricken, including the trial date, and all proceedings in the Action are hereby stayed other than proceedings relating to the consideration of whether the Settlement should be approved. The Court reserves the right to adjourn or continue the date of the Final Approval Hearing without further notice to Class Members and retains jurisdiction to consider all further applications arising

out of or connected with the Settlement. After the Final Approval Hearing, the Court may approve the Settlement without further notice to Class Members.

25. If the Court does not enter the Final Approval Order, or if the Effective Date does not occur for any reason, then the Action shall proceed as if the Settlement Agreement had not been executed. In that event, the Parties shall meet and confer and present the court with a proposed revised case scheduling order.

IT IS SO ORDERED.

DATED this ____ day of _____, 2022.

SUPERIOR COURT JUDGE

Presented by:

TERRELL MARSHALL LAW GROUP PLLC

By: /s/ Adrienne D. McEntee, WSBA #34061

Beth E. Terrell, WSBA #26759

Email: beth@terrellmarshall.com

Toby J. Marshall, WSBA #32726

Email: tmarshall@terrellmarshall.com

Adrienne D. McEntee, WSBA #34061

Email: amcentee@terrellmarshall.com

Benjamin M. Drachler, WSBA #51021

Email: bdrachler@terrellmarshall.com

936 North 34th Street, Suite 300

Seattle, Washington 98103

Telephone: (206) 816-6603

Facsimile: (206) 319-5450

Walter M. Smith, WSBA #46695
Email: walter@smithdietrich.com
Steve E. Dietrich, WSBA #21897
Email: steved@smithdietrich.com
SMITH & DIETRICH LAW OFFICES PLLC
3905 Martin Way East, Suite F
Olympia, Washington 98506
Telephone: (360) 915-6952

Attorneys for Plaintiff

Exhibit B

front

**This Notice Was Authorized by
the Pierce County Superior
Court. This is not a solicitation
from a lawyer.**

Fealy v. Sound Credit Union
c/o Settlement Administrator
PO Box 23459
Jacksonville, FL 32241

PRST-STD
U.S. POSTAGE
PAID
JACKSONVILLE, FL
PERMIT NO. XXX

**Notice of Proposed Class
Action Settlement and Fairness
Hearing**

Fealy v. Sound Credit Union
Pierce County Superior Court
Case No. 20-2-04853-0

ΚΕΨΛΙΝΕ

Postal Service: Please do not mark barcode

More info: www.CPIsettlement.com

Notice ID: <<noticeid>>

PIN: <<pin>>

If you financed a motor vehicle through Sound Credit Union and were charged for collateral protection insurance on or after February 11, 2016, a proposed class action settlement may affect your rights.

«fname» «lname»
«addrline1»
«addrcity», «addrstate» «addrzip»
«country»

(Notice Continued on Back)

A settlement has been reached in a class action lawsuit against Sound Credit Union. The lawsuit, *Fealy v. Sound Credit Union*, Pierce County Superior Court Case No. 20-2-04853-0, involves allegations that Sound Credit Union violated the law by overcharging borrowers for collateral protection insurance, collecting fees and interest it was not entitled to collect, and failing to fully refund unearned premiums. Sound Credit Union denies these allegations.

Why am I being contacted? Records indicate that you may have been charged more for collateral protection insurance than you would have been if Sound Credit Union notified you of deficiencies earlier, may have paid fees or interest you should not have been charged, or did not receive a full refund for unearned premiums during the period described above. Accordingly, you are eligible to receive a payment from the settlement.

What does the settlement provide? The proposed settlement provides for a fund totaling \$750,000, which will be used to make payments to settlement class members after first making deductions for approved notice and administration costs, a service award to the named plaintiff, and attorneys' fees and costs. **If you do not exclude yourself from this settlement and the settlement is approved by the court and becomes final, you will receive a check reflecting your share of the settlement.** The award payments available under the settlement are determined based on the total amount of challenged collateral protection insurance premiums, and related fees and interest you were charged. You can learn more about the settlement and your options by visiting www.CPIsettlement.com for more information.

Your rights may be affected. If you do not want to be legally bound by the settlement, you must exclude yourself by **DATE**. If you do not exclude yourself, you will release your claims against Sound Credit Union, as more fully described in the Settlement Agreement available for review at www.CPIsettlement.com. If you stay in the settlement, you may object to it by **DATE**. Information available at www.CPIsettlement.com explains how to exclude yourself or object. The Court is scheduled to hold a hearing on **DATE** to consider whether to approve the settlement, Class Counsel's request for attorneys' fees and costs of one-third of the Settlement Fund, and a service award for the named plaintiff of \$5,000. You can appear at the hearing, but you do not have to appear. You can hire your own attorney, at your own expense, to appear or speak for you at the hearing

For more information, visit www.CPIsettlement.com or call XXXXXXXXXX.

back

Exhibit C

A court authorized sending you this notice. This is not a solicitation from a lawyer.

- Plaintiff sued Sound Credit Union for alleged violations of the Washington Consumer Protection Act and Washington common law related to Sound Credit Union's imposition of collateral protection insurance. Sound Credit Union denies those allegations and any liability.
- The parties have entered into a proposed settlement on behalf of Washington residents who financed a motor vehicle through Sound Credit Union and who, from February 11, 2016, and up through the date of final judgment, were charged more for, or as a result of, collateral protection insurance than they would otherwise have been charged if Sound Credit Union had: (i) notified them earlier or differently of alleged deficiencies in insurance coverage, (ii) used a pro rata refund method, (iii) not charged an administrative fee, or (iv) not received an administrative reimbursement from the collateral protection insurance carrier or third-party collateral protection insurance administrator.

Your Legal Rights and Options in This Lawsuit	
Do Nothing	Stay in this lawsuit. Receive a payment. Give up certain rights. By doing nothing, you will receive a cash payment from the settlement if it is approved by the Court. You give up any rights to sue Sound Credit Union on the claims alleged in this lawsuit or similar claims.
Ask to be Excluded	Get out of this lawsuit. Get no benefits from it. Keep rights. If you ask to be excluded from the lawsuit, you will not receive any benefits of the settlement, including payment. You keep any rights to sue Sound Credit Union separately about the same or similar legal claims. To be excluded, you must mail an Exclusion Request to the Settlement Administrator by DATE .
Object to the Settlement	Stay in the Settlement Class. File a written objection to the settlement with the Court. If you disagree with any portion of the settlement, you may file a written objection with the Court, which will be considered at the Final Approval Hearing. You may also ask to speak at the hearing. If you exclude yourself from the settlement, the Court will not consider an objection from you. If the settlement is approved, you will be bound by the Settlement Agreement and you give up any rights to sue Sound Credit Union separately about the same or similar legal claims in this lawsuit, but you will still receive a payment. Your objection must be postmarked no later than DATE .

BASIC INFORMATION

1. Why did I receive this notice?

Sound Credit Union's records show that on or after February 11, 2016, you may have been overcharged for collateral protection insurance premiums, or related fees or interest. This notice explains that the parties have reached an agreement to settle a class action lawsuit that may affect you. You have legal rights and options that you may exercise before the Court decides whether to approve the settlement. A Judge of the Superior Court of the State of Washington for Pierce County is overseeing this class action. The lawsuit is known as *Fealy v. Sound Credit Union*, Case No. 20-2-04853-0.

2. What is this lawsuit about?

Plaintiff alleges that Sound Credit Union violated the Washington Consumer Protection Act and Washington common law by, among other things, (i) charging borrowers for collateral protection insurance premiums for which they should not have been charged; (ii) failing to fully refund unearned premiums; and (iii) charging unauthorized fees and interest. Sound Credit Union denies Plaintiff's allegations, but has agreed to resolve this case in order to stop incurring costs and fees of litigation.

3. What is a class action and who is involved?

In a class action lawsuit, one or more people called plaintiffs and "class representatives" (in this lawsuit Debra Fealy) sue on behalf of other people who have similar claims. The people together are a "class" or "class members." The party they sue (in this case Sound Credit Union) is called the defendant. If the lawsuit proceeds as a class action, it resolves the issues for everyone in the class—except for those people who choose to exclude themselves from the class.

THE SETTLEMENT

4. Why is there a settlement?

The Court did not decide in favor of Plaintiff or Sound Credit Union. Instead, both sides agreed to a settlement. This way, they avoid the cost and risks associated with a trial, and the people potentially affected will receive compensation. Plaintiff and her attorneys think the settlement is in the best interest of the Settlement Class Members.

5. How do I know if I am a part of the Settlement?

You are in the Settlement Class if you resided in Washington, financed a motor vehicle through Sound Credit Union, and at any point on or after February 11, 2016, were charged more for, or as a result of, collateral protection insurance than you otherwise would have been charged if Sound Credit Union had: (i) notified you earlier or differently of alleged deficiencies in insurance coverage, (ii) used a pro rata refund method, (iii) not charged an administrative fee, or (iv) not received an administrative reimbursement from the collateral protection insurance carrier or third-party collateral protection insurance administrator.

The Settlement Class does not include any persons who validly request exclusion from the Settlement Class, as described under Question 12. A person who does not exclude him or herself is a "Settlement Class Member."

If you have questions about whether you are part of the Settlement Class, you may call 1-888-##### or visit www.CPIsettlement.com for more information.

THE SETTLEMENT BENEFITS

6. What does the Settlement Agreement provide?

To settle this lawsuit, Sound Credit Union has agreed to pay \$750,000 into a Settlement Fund which will provide individual payments to eligible Settlement Class Members, a service award payment to the Class Representative, attorneys' fees and reimbursement of out-of-pocket litigation costs, and the costs related to settlement administration.

Settlement Class Members will receive a cash payment equal to their proportional share of the allegedly wrongful collateral protection insurance premiums, fees, and interest charged by Sound Credit Union.

7. Your estimated settlement award

Your estimated settlement award will be at least \$10, and may be as high as \$2,000.

If you do not request to exclude yourself from the settlement, the settlement administrator will send a check with your settlement award to you. You do not need to file a claim form. If you have questions about how settlement payments will be made or need to update your mailing address before the settlement payment distribution, you should contact the settlement administrator at #####.

8. What are the tax implications of accepting a settlement payment?

The tax implications may vary based on your income, the amount you receive and other factors, so you should consult a tax professional to assess the specific tax implications of any payment you may receive. Class Counsel, Sound Credit Union, and the settlement administrator cannot advise you with respect to your tax obligations.

HOW TO BENEFIT FROM THE SETTLEMENT

9. How do I receive the benefits of the settlement?

If you received a postcard and you do not request to exclude yourself from the settlement, you will automatically receive the benefits of the settlement and receive a payment. **You do not need to submit a claim to receive the benefits of the settlement or to get a payment—it's automatic.** If your mailing address changes before the distribution, you should contact the settlement administrator at ##### to update your information.

10. When will I get my payment?

If no appeals are timely filed after the Court enters the Final Approval Order, then the Order and settlement will become final. You will receive your settlement payment approximately 30 days from the Settlement's Effective Date (roughly 60 days after the Final Approval Hearing). When the settlement becomes effective, the settlement administrator will mail you a check. The checks will only be valid for 120 days from the date of issuance, after which you will not be able to cash or deposit them. However, if an appeal is filed, payments will not be sent until after the appeal is finally resolved.

11. What am I giving up to stay in the Settlement Class?

Unless you request to exclude yourself, you are staying in the Settlement Class and you will be a Settlement Class Member. If the Court approves the settlement, you and other Settlement Class Members can't sue, continue to sue, or be part of any other lawsuit against Sound Credit Union regarding Sound Credit Union's placement of collateral protection insurance between February 11, 2016 and the Settlement's Effective Date.

The Settlement Agreement (available at www.CPIsettlement.com) describes the claims you are releasing (the "Released Claims") and against whom you are releasing claims, so read it carefully.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don't want to receive the benefits of this settlement or if you want to keep the right to sue or continue to sue Sound Credit Union, then you must take steps to remove yourself from the Settlement Class. This is called excluding yourself – or is sometimes referred to as “opting out” of the Settlement Class.

12. How do I opt out of the settlement?

To “opt out” or exclude yourself from the settlement you must send the request in writing to the settlement administrator saying that you want to be excluded from the *Fealy v. Sound Credit Union* settlement. You must include your name and address in the letter. You can mail your exclusion request letter, which must be postmarked no later than **DATE** to the following address:

Fealy v. Sound Credit Union
c/o American Legal Claims Services
ADDRESS
ADDRESS

Requests for exclusion mailed after **DATE**, 2022 will not be effective and will not result in your being excluded from the Settlement Class.

If you ask to be excluded, you will not get any payment, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit.

13. Why would I ask to be excluded?

If you already have, or want to bring, your own lawsuit against Sound Credit Union regarding collateral protection insurance and want to continue with the lawsuit, you need to ask to be excluded from the Class. If you exclude yourself from the Class—which also means to remove yourself from the Class and is sometimes called “opting-out”—you won't get any money from the settlement between Sound Credit Union and Plaintiff. However, you may be able to sue or continue to sue Sound Credit Union regarding collateral protection insurance on your own. If you exclude yourself, you will not be legally bound by the Court's judgments in this class action.

14. If I exclude myself, can I get anything from this settlement?

No. You will not receive any payment from the settlement if you exclude yourself.

THE LAWYERS REPRESENTING YOU

15. Do I have a lawyer in this lawsuit?

The Court decided that the law firms of Terrell Marshall Law Group PLLC of Seattle, WA and Smith & Dietrich Law Offices, PLLC of Olympia, WA, are qualified to represent you and all Settlement Class Members. These law firms are referred to as "Class Counsel." You will not receive a bill from these lawyers, who have asked the Court to be paid a percentage of the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense. The names and addresses of Class Counsel are:

Beth E. Terrell
Adrienne D. McEntee
Terrell Marshall Law Group PLLC
936 N 34th Street, Suite 300
Seattle, Washington 98103

Walter M. Smith
Steve E. Dietrich
Smith & Dietrich Law Offices PLLC
3905 Martin Way E., Suite F
Olympia, Washington 98506

16. Should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel are working on your behalf. But, if you want to hire your own lawyer, you will have to pay that lawyer. For example, you can ask a lawyer to appear in Court for you if you want someone other than Class Counsel to speak for you.

17. How will the lawyers be paid?

Class Counsel will ask the Court to approve payment to them of \$250,000, which is one-third of the \$750,000 Settlement Fund, for attorneys' fees and out-of-pocket expenses. This payment compensates Class Counsel for investigating the facts, litigating the case, and negotiating the settlement. Class Counsel will also request a service award of \$5,000 for the Class Representative, Debra Fealy, payable out of the Settlement Fund to compensate her for her time and effort during the litigation. Class Counsel's complete request for fees, costs, and the service award to the Class Representative will be posted on the settlement website, www.CPIsettlement.com. The Court may award less than these amounts.

OBJECTING TO THE SETTLEMENT

18. How do I object to the settlement?

If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you can object to the settlement if you don't like any part of it. Your written objection must provide your name, address, telephone number, and the reason(s) for your objection

and meet the criteria described in the Settlement Agreement. You must mail a copy of the objection to the following addresses postmarked no later than , 2022 and file it with the Court:

SETTLEMENT ADMINISTRATOR	CLASS COUNSEL	DEFENSE COUNSEL
Fealy v. Sound Credit Union c/o American Legal Claim Services ADDRESS ADDRESS	Beth E. Terrell Adrienne D. McEntee Terrell Marshall Law Group PLLC 936 N 34th Street, Suite 300 Seattle, Washington 98103 Walter M. Smith Smith & Dietrich Law Offices PLLC 3905 Martin Way E., Suite F Olympia, Washington 98506	Kimberley Hanks McGair Trish A. Walsh Farleigh Wada Witt 121 SW Morrison Street, Suite 600 Portland, Oregon 97204

19. What is the difference between objecting and excluding myself from the settlement?

Objecting simply means telling the Court that you don't like something about the settlement. You can object only if you stay in the Settlement Class. Excluding yourself from the Settlement Class is telling the Court that you don't want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

20. When and where will the Court hold a hearing on the fairness of the settlement?

The Court will hold the Final Approval Hearing on , 2022 at a.m., before the Honorable Gretchen Leanderson of the Superior Court of the State of Washington for Pierce County, 930 Tacoma Avenue South, Tacoma, WA 98402, Department 15. The purpose of the hearing is for the Court to determine whether the Settlement is fair, reasonable, adequate, and in the best interest of the Settlement Class. At the hearing, the Court will hear any objections and arguments concerning the fairness of the proposed settlement, including those related to the amount requested by Class Counsel for attorneys' fees and expenses and the service award to the Class Representative. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

The date and time of the Final Approval Hearing are subject to change by Court Order. Any changes will be posted at the settlement website, www.CPIsettlement.com.

21. Do I have to come the hearing?

No. Class Counsel will answer any questions the Court may have. You are welcome to come to the hearing at your own expense. If you send an objection you don't have to come to Court to talk about it, as long as your written objection was filed or mailed on time, and meets the other criteria described in the Settlement Agreement, the Court will consider it. You may also pay a lawyer to attend, but you don't have to.

22. May I speak at the hearing?

If you do not exclude yourself from the Settlement Class, you may ask the Court for permission to speak at the hearing concerning any part of the proposed Settlement Agreement. If you submit an objection (see Question 18 above) and intend to appear at the hearing, you must state your intention to do so in your objection. To speak, you must send a letter saying that it is your "Notice of Intention to Appear" in *Fealy v. Sound Credit Union*, Case No. 20-2-04853-0. Be sure to include your name, address, telephone number, and your signature, and state that you are a Class Member. Your Notice of Intention to Appear must be postmarked no later than (10) days before the Final Approval Hearing and be sent to the Court, Class Counsel, and Defense Counsel at the addresses set forth below. You cannot speak at the hearing if you exclude yourself.

COURT	CLASS COUNSEL	DEFENSE COUNSEL
Hon. Gretchen Leanderson Pierce County Superior Court 930 Tacoma Avenue South, Tacoma, WA 98402	Beth E. Terrell Adrienne D. McEntee Terrell Marshall Law Group PLLC 936 N 34th Street, Suite 300 Seattle, Washington 98103 Walter M. Smith Steve E. Dietrich Smith & Dietrich Law Offices PLLC 3905 Martin Way E., Suite F Olympia, Washington 98506	Kimberley Hanks McGair Trish A. Walsh Farleigh Wada Witt 121 SW Morrison Street, Suite 600 Portland, Oregon 97204

23. What happens if I do nothing at all?

If you do nothing, you will be a member of the Settlement Class and you will receive payment from the settlement. You will also be bound by the terms of the settlement, including the Release described in Section 11, above.

GETTING MORE INFORMATION

24. Are there more details about the settlement?

This notice summarizes the proposed settlement. More details are in the Settlement Agreement. You may review and download or print a copy of the Settlement Agreement via the settlement website at www.CPIsettlement.com. You can also get a copy of the Settlement Agreement by writing to American Legal Claim Services at Fealy v. Sound Credit Union, c/o American Legal Claims Services, ADDRESS.

25. How do I get more information?

You can call 1-888-##### toll free; write to American Legal Claim Services at Fealy v. Sound Credit Union, c/o American Legal Claim Services, ADDRESS; or visit the website at www.CPIsettlement.com where you will find answers to common questions about the settlement, the Settlement Agreement, Plaintiff's Complaint, Class Counsel's motion for an award of attorneys' fees and costs, and other information.

PLEASE DO NOT CONTACT THE COURT, THE JUDGE, OR SOUND CREDIT UNION WITH QUESTIONS ABOUT THE SETTLEMENT.

Exhibit D

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
COUNTY OF PIERCE

DEBRA FEALY, on behalf of herself and all
others similarly situated,

Plaintiff,

v.

SOUND CREDIT UNION,

Defendant.

NO. 20-2-04853-0

**[PROPOSED] ORDER GRANTING FINAL
APPROVAL OF CLASS ACTION SETTLEMENT**

The Court, having considered Plaintiff Debra Fealy's Motion for Final Approval of Class Action Settlement and Motion for Attorneys' Fees and Costs and for a Service Award to Plaintiff, the Settlement Agreement and Release between Plaintiff and Defendant Sound Credit Union, the record in this Action, the submissions and arguments presented by counsel, and, having held a Final Approval Hearing on _____, finds that:

1. Unless defined herein, all capitalized terms in this Final Approval Order shall have the same meanings as set forth in the Settlement Agreement.
2. The Court has jurisdiction over the subject matter of the Action and over the settling parties, including the Settlement Class Members.
3. On [DATE], the Court preliminarily approved the settlement and certified, for settlement purposes, the Settlement Class as defined in the Settlement Agreement.
4. Settlement Administrator American Legal Claim Services executed the Notice Plan outlined in the Settlement Agreement and approved by the Court in its Preliminary Approval Order

as satisfying the requirements of due process and applicable state and federal law. The Notice Plan reached [ADD]% of Settlement Class Members by Postcard Notice. The Court finds the Notice Plan satisfied CR 23(c)(2) and the requirements of due process, provided the best notice practicable under the circumstances, provided individual notice to all members of the Settlement Class who could be identified through reasonable effort, provided an opportunity for Settlement Class Members to object or exclude themselves from the Settlement, and supports the Court's exercise of jurisdiction over Settlement Class Members as contemplated in the settlement and this Final Approval Order.

5. Settlement Class Members were given an opportunity to object to the settlement. There are no objections to the settlement [OR [NAME(S)] objected to the settlement because [ADD]]. These objections are overruled because the settlement is fair, reasonable, adequate, and in the best interests of the Settlement Class].

6. [NAME(S)], who made timely requests for exclusion, are excluded from the Settlement Class and are not bound by this Final Approval Order [OR No Settlement Class Member made a timely request to exclude themselves from the Settlement Class].

7. The settlement was arrived at as a result of arms' length negotiations conducted in good faith by experienced attorneys familiar with the legal and factual issues of this case and with the assistance of an experienced mediator.

8. The settlement is fair, reasonable, adequate, and in the best interests of the Settlement Class in light of the complexity, expense, and duration of litigation, as well as the risk involved in establishing liability and damages and in maintaining the class action through trial and appeal.

9. The consideration provided by the settlement constitutes fair value given in exchange for the release of the Settlement Class Members' Released Claims against the Released Parties. The Court finds that the consideration provided to the Settlement Class Members is reasonable, considering the facts and circumstances of the claims and affirmative defenses asserted in the action, and the potential risks and likelihood of success of pursuing trial on the

merits.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

10. The settlement is finally approved as fair, reasonable, and adequate, and in the best interest of the Settlement Class. The Settlement Agreement and Release, which shall be deemed incorporated herein, and all terms of the settlement are finally approved and shall be consummated in accordance with the terms and provisions thereof, except as amended by any subsequent order issued by the Court.

11. Within 7 days of the Effective Date, Class Counsel shall provide the Settlement Administrator with the final amount of each Settlement Class Member's Settlement Award.

12. Within 30 days of the Effective Date, the Settlement Administrator shall mail a check to each Settlement Class Member whose Postcard Notice was not returned undeliverable in the amount of his or her Settlement Award.

13. Pursuant to CR 23(b)(3), the following Settlement Class is certified for settlement purposes only: all Washington residents who financed a motor vehicle through Sound Credit Union and who, from February 11, 2016, and up through the date of final judgement, were charged more for, or as a result of, collateral protection insurance than they would otherwise have been charged if Sound Credit Union had: (i) notified them earlier or differently of alleged deficiencies in insurance coverage, (ii) used a pro rata refund method, (iii) not charged an administrative fee, or (iv) not received an administrative reimbursement from the collateral protection insurance carrier or third-party collateral protection insurance administrator. Excluded from the Settlement Class is Sound Credit Union, its parents, subsidiaries, affiliates, officers and directors, all Settlement Class members who make a timely election to be excluded, and all judges assigned to this litigation and their immediate family members.

14. The Court provisionally certified the Settlement Class at preliminary approval and now finds that the Settlement Class satisfies the applicable prerequisites for class action treatment under CR 23(a) and (b)(3), namely:

- The Class is so numerous that joinder of all members is impracticable;

- There are questions of law and fact common to the Settlement Class Members;
- The Class Representative's claims are typical of the claims of the Settlement Class Members;
- The Class Representative and Class Counsel have fairly and adequately represented and protected the interests of all Settlement Class Members;
- Common issues predominate over any individualized issues; and
- A class action is superior to thousands of individual actions.

15. Plaintiff, Settlement Class Members, and their successors and assigns have released claims pursuant to the release in the settlement. The Released Claims are compromised, settled, released, discharged, and dismissed with prejudice by virtue of these proceedings and this Final Approval Order.

16. To the extent permitted by law and without affecting the other provisions of this Final Approval Order, this Final Approval Order is intended by the parties and the Court to be *res judicata* and to prohibit and preclude any prior, concurrent, or subsequent litigation brought individually, or in the name of, or otherwise on behalf of, Plaintiff or any Settlement Class Member with respect to the Released Claims, in any forum, action, or proceeding of any kind.

17. The Court retains continuing and exclusive jurisdiction over the parties and all matters relating to the Action or settlement, including the administration, supervision, interpretation, construction, and enforcement of the settlement, and this Final Approval Order. This Final Approval Order finally disposes of all claims and is appealable.

18. This Final Approval Order is not, and shall not be construed as, an admission by Sound Credit Union of any liability or wrongdoing in this or in any other proceeding.

19. The Court awards Class Counsel \$_____ in attorneys' fees and costs.

20. The settlement created a common fund for the benefit of Settlement Class Members. Accordingly, the Court finds that the percentage of the fund method is the appropriate method to use in determining the appropriate fee award in this case. *Bowles v. Wash. Dep't of Ret.*

Sys., 121 Wn.2d 52, 72, 847 P.2d 440 (1993).

21. Class Counsel obtained an excellent result for the Settlement Class. Class Counsel's work led to the creation of a \$750,000 common fund.

22. An attorneys' fee award equal to one-third of a common fund is within the range approved as reasonable in common fund cases and is appropriate in this case, given the risks taken by Class Counsel, the duration of the case, and the degree to which Class Counsel had to forgo other work. *See Bowles*, 121 Wn.2d at 72; *City of Seattle v. Okeson*, 137 Wn. App. 1051, 2007 WL 884827, at *7 (2007) (unpublished) ("Twenty to thirty percent of the recovery is a typical benchmark used in awarding attorney fees under the common fund doctrine, but that figure can be adjusted based on the circumstances of the case."); *see also 4 Newberg on Class Actions* § 14:6 (4th ed. online) ("common fee awards fall in the 20 to 33 per cent range" and "empirical studies show that, regardless whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery"); *Long v. First Resolution Investment Corporation*, King County Superior Court Case No. 19-2-11281, Sub No. 172 ¶ 18 (entered Aug. 20, 2020) (awarding fee of one-third of the settlement fund); *Stone v. Interstate Dist. Co.*, Pierce County Superior Court Case No. 15-2-14612-8, Order Approving Settlement (entered July 24, 2020) (awarding fee of one-third of the settlement fund); *Strong v. Numerica Credit Union*, Yakima County Superior Court Case No. 17-2-01406-39, Order Granting Final Approval (entered Feb. 14, 2020) (awarding fee of one-third of the settlement fund); *Dennings v. Clearwire Corp.*, No. C10-1859JLR, 2013 WL 1858797, at *7 (W.D. Wash. May 3, 2013) (awarding fee equal to 35.78% of the fund).

23. The Court has considered the factors set forth in Washington Rule of Professional Conduct 1.5(a) in concluding that the requested fee is reasonable. Specifically:

- a. The case demanded litigators with the skill and experience of Class Counsel.
- b. Class Counsel's work on this matter precluded work on other matters.
- c. A fee of one-third of the recovery in contingency cases is customary in this county.
- d. The excellent results obtained, and the amount of time involved support the award.

24. The Court approves a service award to the Class Representative in the amount of \$ _____, to be paid from the Settlement Fund.

25. The Court further approves and authorizes the deduction of an amount not to exceed \$ _____ from the Settlement Fund to cover the Settlement Administrator's costs.

26. The attorneys' fees and costs, service award, and Settlement Administration Costs are to be deducted from the Settlement Fund as set forth in the Settlement Agreement.

27. The Court orders payment of the 50% of any residual funds to Legal Foundation of Washington in accordance with CR 23(f)(2), and approves Northwest Justice Project as the cy pres recipient of 50% of any remaining residual amounts in the Settlement Fund.

28. The Court hereby dismisses the Action against Sound Credit Union, including all claims against Sound Credit Union, with prejudice, without costs to any party, except as expressly provided for in the Settlement Agreement and this Order.

29. Finding that there is no just reason for delay, the Court orders that this Final Approval Order shall constitute a final judgment pursuant to CR 58 that is binding on the settling parties and the Settlement Class.

IT IS HEREBY ORDERED.

DATED this _____ day of _____, 2022.

The Honorable Gretchen Leanderson

Presented by:

TERRELL MARSHALL LAW GROUP PLLC

By: /s/ Adrienne D. McEntee, WSBA #34061

Beth E. Terrell, WSBA #26759

Email: beth@terrellmarshall.com

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Attorneys for Plaintiff